

# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

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### **USTR Kirk Seeks Enforcement of Labor Laws in Guatemala**

**WASHINGTON** —United States Trade Representative Ron Kirk today requested a meeting of the Free Trade Commission (Commission) under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) regarding the Government of Guatemala's apparent failure to effectively enforce its labor laws.

Ambassador Kirk said, **"We have identified a significant number of apparent failures by the Government of Guatemala to enforce its labor laws. While Guatemala has taken some positive steps over the past several months, its actions and proposals have been insufficient to address what we view as systemic failures."** He continued, **"The Obama Administration is committed to vigorously enforcing the labor obligations under U.S. trade agreements. We will hold our trading partners accountable in order to maintain the fairness that creates a level-playing field upon which American workers can compete and win. We expect to see the Government of Guatemala take concrete actions to improve its labor law enforcement to protect the rights of workers as agreed under CAFTA-DR."**

The United States formally launched this case with its request for consultations in July 2010. This is the first labor case ever brought by the United States against a trade agreement partner. The request for a Commission meeting takes the case to the next step in the dispute settlement process. The case involves the apparent failure by the Government of Guatemala to meet obligations to its workers under CAFTA-DR to enforce Guatemalan labor laws regarding the right of association, the right of workers to organize and bargain collectively, and acceptable working conditions.

#### **Background**

In April 2008, the AFL-CIO and six Guatemalan unions filed a public submission under the CAFTA-DR alleging that the Government of Guatemala had violated its CAFTA-DR labor commitments, including by failing to effectively enforce its labor laws. After reviewing the submission, the U.S. Department of Labor issued a public report finding significant weaknesses in Guatemala's enforcement of its labor laws.

Since then, the United States has conducted an extensive examination of Guatemala's compliance with its commitments under the CAFTA-DR labor chapter. The United States concluded that Guatemala appeared to be failing to meet its obligations with respect to enforcement of labor laws.

In an attempt to resolve its concerns, the United States requested consultations under the CAFTA-DR labor chapter on July 30, 2010. A copy of the press release can be found [here](#). Consultations were held in Guatemala in September and December of 2010.

A meeting of the Commission provides the Government of Guatemala with another opportunity and additional incentive to resolve U.S. concerns regarding the apparent failure to enforce Guatemala's labor laws. If those concerns are not resolved, the United States could proceed to dispute settlement under Chapter 20 of the CAFTA-DR.

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